

Central Intelligence Agency



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DIRECTORATE OF INTELLIGENCE

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China: LTA Intentions for 1984 [REDACTED]

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The State Council has decided to purchase only 6 million tons of US grain in 1984, rather than the 8.2 million tons needed to make up the 1983 LTA shortfall. [REDACTED]

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[REDACTED] Under its various long-term agreements, Beijing had pledged to purchase 14 million tons of grain this year from foreign suppliers. [REDACTED]

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[REDACTED] logistic difficulties--not political irritants--have made it all but impossible to meet even the 6-million-ton target for US grain imports. Excellent domestic harvests have filled all of China's grain storage, and prospects are good for this year's crops. Additionally, China has begun to distribute its domestic grain more evenly, further tying up storage and transport equipment. Port congestion remains a serious constraint. Port elevators, usually reserved for imported grain to feed the coastal urban centers, have had to store domestic grain and have had difficulty moving it on to other storage areas. [REDACTED]

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Although [REDACTED] US-China political problems might continue to complicate grain purchases, [REDACTED] Beijing could take a higher percentage of its imports from the US by cutting back shipments from Australia, Canada, and Argentina. [REDACTED]

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This memorandum was prepared by [REDACTED] of the Office of East Asian Analysis. Questions and comments are welcome and may be directed to the Chief, Domestic Policy Branch [REDACTED]

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But with the large supplies of Chinese grain, there is so far little indication that reduced purchases from other suppliers will lead to additional US sales. Chinese purchases thus far in June have been up (see attached figure), but key factors to watch will be Ceroilfood's discussions with Canada and China's activity in the US grain market during the coming weeks.

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China: Progress In Fulfilling The LTA, 1984

